



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35635]

Nevada 5, Inc. and Oakland Transportation Holdings LLC—Control Exemption—GTR Leasing LLC and US Rail Holdings LLC¹

Nevada 5, Inc. (Nevada 5) and Oakland Transportation Holdings LLC (Oakland) (collectively, applicants) have filed a verified notice of exemption to acquire control of US Rail Holdings, LLC (Rail Holdings), a Class III rail carrier, through Oakland's acquisition of GTR Leasing LLC (GTR), the parent company of Rail Holdings.² As a result of the proposed transaction, applicants will indirectly control Rail Holdings.

Oakland currently owns all of the equity interests of Brookhaven Rail, LLC (formerly known as US Rail New York, LLC) (Brookhaven Rail), a Class III rail carrier.³ Nevada 5, in turn, owns 98% of the equity in Oakland and indirectly controls Brookhaven Rail.

Applicants state that they propose to consummate the transaction on or after June 23, 2012. The earliest this transaction can be consummated is June 29, 2012, the effective date of the exemption (30 days after the verified notice was filed).

¹ Applicants styled the transaction as a continuance in control exemption. The transaction, however, involves an acquisition of control of a carrier by noncarriers that already control a carrier. See 49 U.S.C. 11323(a)(5). Accordingly, this docket has been recaptioned as a control exemption.

² Applicants state that Oakland is in the process of acquiring GTR.

³ See Gabriel D. Hall—Corporate Family Transaction Exemption—U S Rail N.Y., LLC, FD 35458 (STB served Jan. 7, 2011).

Applicants represent that: (1) the rail lines of Rail Holdings and Brookhaven Rail do not connect with each other; (2) the transaction is not part of a series of anticipated transactions that would connect the rail lines of the two carriers; and (3) the transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323 pursuant to 49 C.F.R. 1180.2(d)(2). Applicants state that the purpose of the transaction is to allow Oakland to take advantage of the consolidation of the administrative and operational support it can provide, which, in turn, will permit more efficient operation and management of Rail Holdings and Brookhaven Rail.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than June 22, 2012 (at least seven days before the exemption becomes effective).

An original and ten copies of all pleadings, referring to Docket No. FD 35635, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Eric M. Hocky, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

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Decided: June 12, 2012.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Raina S. White

Clearance Clerk

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